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14 July 1962

**MEMORANDUM FOR:** Deputy Director (Plans)  
Deputy Director (Intelligence)  
Deputy Director (Support)  
Deputy Director (Research)

**SUBJECT :** Manpower Review

1. The Director has decided to maintain annual expenditures by the Agency for the next several years at the level of the FY 1963 Congressional Budget with no significant increase in the personnel strength authorized therein, barring unforeseen circumstances for which use of the Reserve Fund would be appropriate.

2. The major components of the Agency have submitted a substantial number of requirements which call for an increase in expenditures and personnel over the ceiling of the FY 1963 Congressional Budget. Obviously, in compliance with paragraph 1. above, these new requirements cannot be approved unless requirements in equal amounts provided for in the budget are eliminated. Since some of the new requirements may well be more important than some of those provided for in the budget, a careful review of all programs and activities will be made to determine their relative importance. Such a review has been initiated by the Financial Policy and Budget Committee in connection with the Agency Budgets for Fiscal Years 1963 and 1964.

3. Requirements for personnel must also receive special attention. The Bureau of the Budget and the Congressional Committees that review the expenditures of the Agency are critical of the number of people employed, especially in Washington. The time has come when we must educate those officials of the Government who criticize the size of the Agency on general principles without an adequate understanding of the complexity and scope of the work of our various components. But before we can educate outsiders we must justify our personnel strength to ourselves. The Director expects the officer in charge of each component of the Agency, from top to bottom, to assure himself that the manpower assigned to his component is efficiently allocated and utilized. Deputy Directors will make sure that this is done in their respective areas.

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4. To assist the Deputy Directors in this responsibility, I have appointed a Task Force to examine the manpower situation in certain representative components and submit a report, in the first instance, to the Financial Policy and Budget Committee. It is hoped that this report will serve to establish standards which will be helpful in determining the appropriate personnel strengths for components and the reasons therefor.

5. The Task Force will conduct its examination on the assumption that functions and programs presently performed by components will continue at approximately their present levels, although the concurrent budgetary review of programs and functions may result in the modification or elimination of certain activities and opportunities for the reallocation of personnel. To the extent that positions are identified as non-essential, the Task Force need not consider the question of alternative employment for incumbents as the purpose of the review is solely to develop general conclusions concerning the efficient allocation of manpower.

6. [REDACTED] will serve as Chairman and [REDACTED] as members of this Task Force. An appropriately qualified staff will be made available of which [REDACTED] will be the Director.

(S)

**MARSHALL S. CARTER**  
Lieutenant General, USA  
Deputy Director

cc: Comptroller  
Inspector General  
General Counsel

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